



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
-----------------	-------------	----------------------	---------------------	------------------

10/603,100

06/24/2003

Henri Waelbroeck

61165-0011

1663

9629 7590 09/07/2007  
MORGAN LEWIS & BOCKIUS LLP  
1111 PENNSYLVANIA AVENUE NW  
WASHINGTON, DC 20004

EXAMINER

EBERSMAN, BRUCE I

ART UNIT

PAPER NUMBER

3609

MAIL DATE

DELIVERY MODE

09/07/2007

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

## Office Action Summary

Application No.

10/603,100

Applicant(s)

WAELEBROECK ET AL.

Examiner

Bruce I. Ebersman

Art Unit

3609

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 24 June 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-12 is/are pending in the application.
- 4a) Of the above claim(s) 13-16 is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-12 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date 2/17/05 and 8/23/07.
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_.
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_.

**DETAILED ACTION**

**ELECTION/RESTRICTION**

Restriction to one of the following inventions is required under 35 USC 121

I. Claims 1-12 drawn to an electronic trading method Class 705 subclass 37

II. Claims 13-16 drawn to an electronic system of facilitating trades.

Class 705 sub class 37

Inventions are distinct from each other because of the following reasons:

1. Inventions I and II are related as process and apparatus for its practice. The inventions are distinct if it can be shown that either: (1) the process as claimed can be practiced by another and materially different apparatus or by hand, or (2) the apparatus as claimed can be used to practice another and materially different process. (MPEP § 806.05(e)). In this case invention II is an electronic securities trading system, which can be, practiced to trade any form of security or other related items.

Applicant's election without traverse of claims 1-12 in a phone conversation on 8/20/07 with Steven D. Underwood, Attorney of record.

Claims 14-16 withdrawn from further consideration pursuant to 37 CFR 1.142(b) as being drawn to a nonelected trading system, there being no allowable generic or

Art Unit: 3609

linking claim. Election was made **without** traverse in phone conversation of 8/20/07 with attorney of record.

### **CLAIM REJECTIONS 35 USC 102 B**

2. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

Claims 1, 9, 11, 12 are rejected under 35 USC 102B as being unpatentable over US Patent Publication 2003/0004859 to Shaw with priority to 5/11/1999.

As per claim 1, the Shaw Patent Publication (claim 1) discloses receiving indications of interest from a buyer and seller via electronic system. Likewise, Shaw (claim 1) also discloses comparing indications of interest to determine if there is a match, i.e. price is sufficiently aggressive to transact. (claim 1). Shaw (claim 1) further discloses consummating the transaction with the counterparties once the match has occurred.

As per claims 9, 11, 12, Shaw (claim 1) discloses transmitting notice to the contra parties that a matching order has occurred. The definition of matching could be further be construed such to include nearly matching orders as, claim 1 further describes the

Art Unit: 3609

conclusion of the transaction via direction negotiation, i.e. the terms of both sides are not yet fully identical.

### **CLAIM REJECTIONS 103**

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 2, 3, 4, 6,7 rejected under 35 U.S.C. 103(a) as being unpatentable over Shaw as applied in view of US Patent 5689652 to Lupien, 1995. .

As per claim 2, Shaw does not disclose the calculation of a block price range. Lupien (col. 2, line 37) teaches about the MMX system, which calculates a block price range, based on market in order to determine if the order should be accepted for the purpose of executing a block trade transaction. It would have therefore been obvious to one of ordinary skill the art at the time of the invention to incorporate the teachings of Lupien into the trading system of Show for the purpose of providing a block trading system with an accurate reflection of the current market prices which will determine if a block can be traded in the market.

Art Unit: 3609

As per claim 3, Shaw does not disclose calculating a block price range based on recent or current market prices. Lupien (col. 2, line 37) teaches that a system called MMX calculates a block trading range based on market price and spread during a 10-minute window. It would have therefore been obvious to one of ordinary skill in the art at the time of the invention to incorporate the block price calculation teachings of Lupien with the trading system of Shaw for the purpose of facilitating block trades at a correlative price to the small lot market.

As per claim 4, Shaw does not disclose the step of calculating block price range based on recent volatility in a security. Lupien (col. 2, line 37) teaches that a system called MMX calculates a block trading range based on the recent spread of the security. Spread is one component or proxy for volatility of a security. It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to incorporate the block price calculation based on volatility in a security of Lupien into the trading system of Shaw for the purpose of facilitating block trades at a price that would be correlative to the stock market.

As per claim 6, Shaw does not disclose calculating a block price range likely to occur within a first predetermined time interval. The Lupien reference (col. 2 line 36) teaches an MMX system where orders are executed within a 10-minute pre-determined time frame at the market price at that time, the purpose being to transact trades at a price that is correlative of the market. It would therefore have been obvious to one of ordinary

Art Unit: 3609

skill at the time of the invention to incorporate the predetermined time interval disclosure of Lupien with the trading system of Saw for the purpose of facilitating the conduction of block trades at a price that is correlative of the general stock market at that time.

As per claim 7, Shaw does not disclose recalculating a block price range at pre-determined intervals. Lupien (Col. 2 line 36) teaches an MMX system where orders are executed at a 10 minute pre-determined time for the purpose of filling stock trades in a timely and market correlative manner. It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to recalculate or recalibrate the block price target to correlate with market at pre-determined intervals for the purpose of filling block orders in the most price efficient manner.

Claim 5 rejected under 35 U.S.C. 103(a) as being unpatentable over Shaw in view of Lupien in further view of Price Impacts of Block Trading on the NY Stock Exchange Alan Kraus, ( p. 573, col. 2, line 1).

As per claim 5, Shaw and Lupien do not disclose orders being reasonably priced if they are at the passive end of the block range. Price Impacts (p. 573, col. 2, line 1) teaches the concept of passive sides of a block trade, and that a block trade will be conducted in a range between the passive and active sides of the range thereby allowing one to conclude that a bid that is as aggressively priced as the passive side would be reasonably priced because the passive side is where more parties are located. It would

Art Unit: 3609

therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the Passive side pricing disclosure of Price Impacts with the teachings of Shaw and Lupien for the purpose of determining an aggressive price for a block trading range.

Claim 8 rejected under 35 U.S.C. 103(a) as being unpatentable over Shaw in view of US Patent 7035819 to Gianakouros.

As per claim 8, Shaw does not disclose the use of National best bid prices.

Gianakouros, claim 1) teaches the use of National Best Bid Price data to set a price for the trade of securities in a computer based trading systems for the purpose of convenience and consistency to the market price. It would therefore have been Obvious to one of ordinary skill in the art at the time of the invention to combine the NBBO price of Gianakouros with the trading system of Shaw for the purpose of determining if a buy or sell limit order is reasonably priced.

Claim 10 rejected under 35 U.S.C. 103(a) as being unpatentable over Shaw in view of Official notice.

As per claim 10, Shaw (claim 1) discloses transmitting electronic notification to the 2<sup>nd</sup> user and first user respectively so that they can consummate the transaction. However, Shaw does not disclose a time delay or time period. Examiner takes official notice that



Art Unit: 3609

in computer based programs, a lapse of time is commonly used to create buffers and prevent computer lockup, especially in the case of the possibility of multiple contra offers occurring on a given stock. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to combine to the disclosed notification of parties (Shaw) with the officially noticed time delay to produce a security transacting program for large block trades which would wait for a predetermined time to see if other offers transpire and to prevent system issues prior to sending out notification to the users.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Bruce I. Ebersman whose telephone number is (571) 270 3442. The examiner can normally be reached on 730am-5pm, with alternating Friday's off.

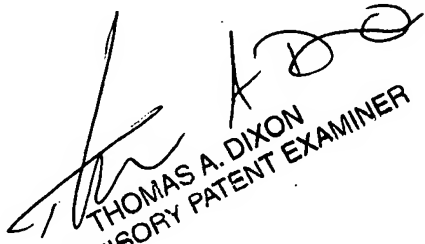
If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Thomas Dixon can be reached on (571) 272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Art Unit: 3609

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Bruce I Ebersman  
Examiner  
Art Unit 3609

\*\*\*

  
THOMAS A. DIXON  
SUPERVISORY PATENT EXAMINER